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UNIDO POLICIES: TECHNICAL COOPERATION ACTIVITIES IN 1990

Report by the Director-General

Summary

Reports on the implementation of the measures called for in Board decision IDB.6/Dec.9, and explains the Secretariat response to decision IDB.7/Dec.11, paragraph (e), which requested an annual report on UNIDO activities presenting information on the budgetary phases of the execution of technical cooperation projects.

Introduction

1. In response to Board decisions IDB.6/Dec.9 and IDB.7/Dec.11, the present document provides information on matters related to the technical cooperation activities of UNIDO. In particular Chapter III explains the revised format of the annual conference room paper containing the list of technical cooperation projects, which has been expanded in response to decision IDB.7/Dec.11, paragraph (e).

I. QUALITY, EFFECTIVENESS AND VOLUME OF TECHNICAL COOPERATION PROJECTS

2. In paragraph (c) of Board decision IDB.6/Dec.9, the Director-General was urged to implement technical cooperation projects and also large-scale projects and programmes within the mandate of the Organization, and to ensure their quality, effectiveness and volume for the benefit of developing countries taking into account the urgency and seriousness of the economic and social problems of developing countries. Information on the subject is provided in the Annual Report of UNIDO, 1990 (IDB.8/10), in particular chapters I, II.B. and V.

II. THE ROLE OF AREA PROGRAMMES

3. In paragraph (d) of decision IDB.6/Dec.9 the Board reiterated the importance of Area Programmes as the focal point within the Organization on technical cooperation activities and therefore urged the Director-General to take all measures towards strengthening them. Taking into account the limited financial resources available to the Organization and the existing overall structure, measures taken so far were geared towards improving the work arrangements between the Area Programmes and UNIDO Country Directors (UCDs) on the one hand and better integration of country and region oriented analytical work into the tasks of the Area Programmes on the other. Accordingly, UCDs (and UNIDO Junior Professional Officers) were instructed to provide more comprehensive information and analysis, in particular when forwarding project proposals and requests. The country studies and analyses prepared by the Industrial Policy and Perspectives Division were carried out essentially in conjunction with or as an integral part of country programming. In addition, the structural integration of the Coordination Unit for the IDDA and the Section for ECDC into the Area Programmes Division, which had already taken place prior to the adoption of the decision, has proved to strengthen those Programmes as the focal point for technical cooperation activities.

III. RATIO OF EXPERT COMPONENT COSTS TO OTHER COMPONENT COSTS

4. The Director-General was also requested to prepare a report on the measures necessary to ensure that, in the execution of technical cooperation projects in developing countries the expert component costs are kept at an optimum ratio in relation to training and equipment costs (IDB.6/Dec.9, para. (e)).

5. Most technical cooperation projects implemented by UNIDO could be included in one of three large categories, namely, technological projects implemented by the Industrial Operations Technology Division (IO/T), infrastructural projects by Industrial Institutions and Services Division (IO/IIS), and support projects implemented by the Industrial Operations Support Division (IO/OS). The following table shows that each of the three categories reflect a different, but more or less constant, ratio of expert component costs in relation to training and

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equipment costs over a period of five years (1986 to 1990). The last column in the table, as well as the figure that follows, show the ratio for the Department of Industrial Operations as a whole. The fact that the ratio is kept constant is, in the view of the Secretariat, an indication that it can be considered as optimum.

IV. ANNUAL LIST OF TECHNICAL COOPERATION PROJECTS

6. In paragraph (f) of decision IDB.6/Dec.9, the Board requested the Director-General to take appropriate measures to ensure that the annual list of technical cooperation projects contain precise and up-to-date information, including additional information on global and interregional projects. At its seventh session, the Board also requested the Director-General to present an annual report on technical cooperation activities of UNIDO, containing a clear delineation of the budgetary phases of the execution of the technical cooperation projects within a clear and detailed execution frame (IDB.7/Dec.11). To accommodate those requests and yet maintaining a manageable format for the document, two new elements have been added to the usual list of technical cooperation projects approved and/or operational during the year: a column containing the approval date of each project, indicating month and year, and a column showing the year in which the project is estimated to be completed. As in the past, this list will be made available to the Board as a conference room paper (IDB.8/CRP.1).

IV. ACTION REQUIRED OF THE BOARD

7. The Board is requested to take note of the information contained in the present document.

DELIVERY BY PROJECT COMPONENT

Department of Industrial Operations

	Industrial Institutions and Services Division		Industrial Operations Technology Division		Industrial Operations Support Division		T o t a l Industrial Operations	
	$	%	$	%	$	%	$	%
1 9 8 6								
Project personnel	14,663,553	60.2	20,096,606	35.0	4,112,364	37.0	38,872,618	41.9
Subcontracts	756,684	3.1	9,634,476	16.8	1,269,024	11.4	11,660,204	12.6
Training	2,237,132	9.2	6,711,119	11.7	4,584,657	41.3	13,532,929	14.6
Equipment	6,085,396	25.0	19,860,412	34.6	878,729	7.9	26,824,597	28.9
Miscellaneous	606,452	2.5	1,108,485	1.9	256,688	2.3	1,971,629	2.1
T o t a l	24,349,217	100.0	57,411,098	100.0	11,101,462	100.0	92,861,977	100.0
1 9 8 7								
Project personnel	12,823,231	62.5	19,154,122	33.6	4,002,268	34.2	35,979,717	40.3
Subcontracts	2,150,663	10.5	10,143,923	17.8	1,739,367	14.8	14,033,981	15.7
Training	2,041,448	10.0	6,394,417	11.2	5,288,572	45.1	13,724,458	15.4
Equipment	2,766,782	13.5	20,154,559	35.4	395,635	3.4	23,317,025	26.1
Miscellaneous	728,795	3.6	1,124,186	2.0	293,372	2.5	2,146,359	2.4
T o t a l	20,510,919	100.0	56,971,207	100.0	11,719,214	100.0	89,201,540	100.0
1 9 8 8								
Project personnel	14,618,596	52.9	22,357,260	34.6	3,356,872	28.8	40,332,815	38.8
Subcontracts	2,898,481	10.5	8,501,608	13.1	1,595,612	13.7	12,995,725	12.5
Training	2,254,900	8.2	8,987,723	13.9	5,195,284	44.6	16,437,929	15.8
Equipment	6,820,793	24.7	23,209,444	35.9	1,230,116	10.6	31,260,414	30.1
Miscellaneous	1,023,426	3.7	1,629,732	2.5	261,964	2.3	2,915,128	2.8
T o t a l	27,616,196	100.0	64,685,767	100.0	11,639,848	100.0	103,942,011	100.0
1 9 8 9								
Project personnel	16,580,455	54.1	22,332,103	31.4	4,963,438	37.2	43,876,082	38.1
Subcontracts	4,864,956	15.9	11,647,451	16.4	1,092,553	8.2	17,604,992	15.3
Training	2,893,094	9.4	10,093,451	14.2	5,631,505	42.2	18,618,074	16.2
Equipment	5,352,961	17.5	25,501,604	35.9	1,398,928	10.5	32,253,546	28.0
Miscellaneous	945,255	3.1	1,513,474	2.1	263,327	2.0	2,722,061	2.4
T o t a l	30,636,721	100.0	71,088,083	100.0	13,349,751	100.0	115,074,755	100.0
1 9 9 0								
Project personnel	22,629,104	59.8	25,399,748	31.7	4,529,231	37.7	52,558,174	40.4
Subcontracts	5,102,062	13.5	12,771,806	15.9	1,054,663	8.8	18,928,560	14.6
Training	3,505,126	9.3	11,237,456	14.0	5,478,771	45.6	20,221,376	15.6
Equipment	5,458,002	14.4	29,134,090	36.3	593,930	4.9	35,186,073	27.1
Miscellaneous	1,146,003	3.0	1,630,368	2.0	359,132	3.0	3,135,508	2.4
T o t a l	37,840,297	100.0	80,173,468	100.0	12,015,727	100.0	130,029,692	100.0

DIO delivery by project component, 1986 - 1990
(In thousands of US dollars)